



NEWS RELEASE

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SBA Acting Administrator Announces Increased Benefits for Disaster Victims during Iowa Tour

WASHINGTON---Jovita Carranza, Acting Administrator of the U.S. Small Business Administration, announced during a tour of Iowa today that disaster victims now have increased benefits, including immediate access to loans of up to \$14,000 without collateral and a \$500,000 increase in the disaster loan cap to businesses. The changes, which were recently signed into law under the Small Business Disaster Response and Loan Improvement Act of the 2008 Farm Bill, have officially been implemented by the SBA this week.

“Midwest residents whose homes and businesses have been destroyed or damaged by severe flooding will have enhanced support through the SBA to help them recover due to the new provisions,” said Carranza. “These changes will help alleviate the burden of rebuilding and make the recovery process more manageable. I encourage disaster victims to use the resources and counseling of SBA to help them during this very difficult time.”

The enhanced benefits under SBA’s Disaster Assistance program, all of which are retroactive to cover loans approved in disasters declared on or after May 22, 2008 include:

Increased Loan Limits---Eligible borrowers may take out a \$14,000 loan without collateral, up from the previous \$10,000 unsecured loan limit.

Increased Disaster Loan Amounts---The disaster loan cap for businesses has increased from \$1.5 million to \$2 million. The 20 percent mitigation measure formula has changed from total loan eligibility to total loss eligibility.

Economic Injury Disaster Loans to Nonprofits---SBA’s Economic Injury Disaster Loan program now includes private, non-profit organizations of all sizes.

Net Earnings Clauses Prohibited---Borrowers are not required to make a supplemental payment for the first five years after repayment begins.

SBA's low-interest federal disaster loans are available to homeowners, renters, businesses of all sizes and private, non-profit organizations whose property was damaged or destroyed by disasters. SBA customer service representatives are available at disaster recovery centers throughout the affected areas to issue loan applications, answer questions about SBA’s disaster loan program, explain the application process and help every person complete their applications.

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SBA is also working with FEMA, state and local governments to ensure that residents receive support. The agency's disaster staff is working to meet the needs of home and businesses owners impacted by severe storms and flooding in Iowa, Indiana, Wisconsin and other states.

To obtain a loan application, interested business owners should contact the SBA's Customer Service Center by calling 1-800-659-2955 (1-800-877-8339 for the hearing-impaired) Monday through Friday from 8 a.m. to 9 p.m. and Saturday and Sunday 9 a.m. to 6 p.m. EDT, or by emailing our customer service center at disastercustomerservice@sba.gov. Business disaster loan applications can also be downloaded from www.sba.gov/services/disasterassistance. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

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